

Preliminary production and sales data of the KGHM Polska Miedź S.A. Group for May 2021

The following report contains preliminary monthly data – the final quarterly production and sales results will be published in the consolidated report for the first half of 2021. Data of the KGHM Polska Miedź S.A. Group contain the results of Sierra Gorda reflecting the 55% share held by KGHM Polska Miedź S.A.

In the period January-May 2021 the production and sales of copper, silver and precious metals by the Group were above the levels set forth in the budget for this period. The decrease in molybdenum production was mainly due to the lower content of this metal compared to the plan for Sierra Gorda.

As compared to the corresponding period of 2020, copper production was higher.

Results of the KGHM Group in May 2021 - y/y:

Production and sales of the KGHM Group	May 2021	May 2020	I - V 2021	I - V 2020
Production				
Payable copper (kt)	65.3	60.0	315.6	290.5
- including KGHM Polska Miedź S.A.*	50.0	48.0	244.8	234.9
Payable silver (t)	129.7	127.6	557.6	587.7
TPM (koz t)	12.9	16.1	63.1	84.6
Molybdenum (mn lbs)	0.9	1.7	3.8	4.3
Sales				
Copper (kt)	62.3	61.8	299.2	282.6
Silver (t)	122.3	123.8	513.0	601.3
TPM (koz t)	12.1	11.1	63.9	86.4
Molybdenum (mn lbs)	0.5	0.6	3.6	4.3

*Production of electrolytic copper

Production of the KGHM Group:

- **Production of payable copper amounted to 65.3 thousand tonnes** – an increase by 5.3 thousand tonnes (+9%) versus the corresponding month of 2020 in all of the operating segments. As regards the segment KGHM Polska Miedź S.A., the increase was due to production from purchased copper-bearing materials.
- **Production of payable silver amounted to 129.7 tonnes**, or an increase by 2.1 tonnes (+2%) compared to the corresponding month of 2020, due to the higher availability of charge material in KGHM Polska Miedź S.A.
- **Production of TPM amounted to 12.9 thousand troy ounces**, or a decrease by 3.2 thousand troy ounces (-20%), mainly due to lower precious metals content and extraction by the Sudbury Basin (KGHM INTERNATIONAL LTD.).
- **Production of molybdenum amounted to 0.9 million pounds**, or a decrease by 0.8 million pounds (-47%) compared to May 2020, mainly due to lower molybdenum content in ore mined by the Sierra Gorda mine.

Sales of the KGHM Group:

- **Sales of copper amounted to 62.3 thousand tonnes** and were at a similar level to those recorded in May 2020 (+1%). The several-percent increase in copper sales recorded in May 2021 by KGHM Polska Miedź S.A., together with slightly lower copper sales by KGHM INTERNATIONAL LTD. and by the Sierra Gorda mine, led to the one-percent difference in results for the entire KGHM Group.
- **Sales of silver amounted to 122.3 tonnes** and did not differ substantially from sales in May 2020 (-1%).
- **Sales of TPM amounted to 12.1 thousand troy ounces** and were higher by 1.0 thousand troy ounces (+9%) compared to sales in the corresponding period of 2020. The result was due to higher sales of gold by KGHM Polska Miedź S.A.
- **Sales of molybdenum amounted to 0.5 million pounds** and were lower by 0.1 million pounds (-17%) compared to May 2020. The decrease in molybdenum sales was in respect of the Sierra Gorda mine.

Results of KGHM Polska Miedź S.A. in May 2021 - y/y:

Production and sales of KGHM Polska Miedź S.A.	May 2021	May 2020	I - V 2021	I - V 2020
Mine production:				
Copper in concentrate (kt)	33.2	33.8	162.1	164.7
Silver in concentrate (t)	111.0	102.5	531.1	513.0
Metallurgical production:				
Electrolytic copper (kt)	50.0	48.0	244.8	234.9
- including from own concentrate	31.6	34.6	162.0	171.8
Metallic silver (t)	127.5	125.1	544.6	577.6
TPM (koz t)	6.5	6.5	30.2	39.6
Sales				
Copper (kt)	50.1	48.2	234.0	222.7
Silver (t)	121.3	120.8	501.2	588.8
TPM (koz t)	6.6	1.2	32.6	38.2

Production of KGHM Polska Miedź S.A.:

- **Production of copper in concentrate amounted to 33.2 thousand tonnes** and was slightly lower compared to May 2020. The decrease in production by 0.6 thousand tonnes (-2%) was due to lower processing of ore and the lower quality of the ore extracted from the mines.
- **Production of silver in concentrate amounted to 111.0 tonnes** and was higher by 8.5 tonnes (+8%) compared to May 2020, due to the higher content of this metal in ore.
- **Production of electrolytic copper amounted to 50.0 thousand tonnes** and was higher by 2.0 thousand tonnes (+4%) compared to May 2020. The increase in cathode production was due to the availability of charge material and to the higher availability of the production lines.
- **Production of metallic silver amounted to 127.5 tonnes** and was higher by 2.4 tonnes (+2%) compared to May 2020. The increase in metallic silver production was due to the availability of charge material.

Sales of KGHM Polska Miedź S.A.:

- **Sales of copper amounted to 50.1 thousand tonnes** and were higher by 1.9 thousand tonnes (+4%) compared to sales in May 2020. The difference reflects the slightly higher level of production in May 2021 (a higher base) and high demand for copper products on the European market.
- **Sales of silver amounted to 121.3 tonnes** and were at the level of sales recorded in May 2020 (0%).
- **Sales of TPM amounted to 6.6 thousand troy ounces** and were higher by 5.4 thousand troy ounces (+450%) compared to sales in May 2020. The substantial increase was mainly due to increased demand for gold in Poland in May 2021.

Results of KGHM INTERNATIONAL LTD. in May 2021 - y/y:

Production and sales of KGHM INTERNATIONAL LTD.	May 2021	May 2020	I - V 2021	I - V 2020
Production				
Payable copper (kt)	6.6	4.8	29.3	23.9
TPM (koz t)	4.3	7.1	21.3	31.5
Sales				
Copper (kt)	5.3	6.5	27.5	29.8
TPM (koz t)	4.1	7.1	20.4	35.0
Silver (t)	-0.6	0.5	0.1	3.1

Production of KGHM INTERNATIONAL LTD.:

- **Production of copper amounted to 6.6 thousand tonnes** and was higher by 1.8 thousand tonnes (+38%) compared to May 2020. Higher production of payable copper was recorded in all of the mines of KGHM INTERNATIONAL LTD., particularly in the Robinson mine, where the increase amounted to 1.1 thousand tonnes (+28% - mining from a deposit with higher copper content and higher recovery).
- **Production of TPM amounted to 4.3 thousand troy ounces** and was lower by 2.8 thousand troy ounces (-39%) compared to May 2020. Lower production was also recorded by the Sudbury Basin (-2.4 thousand troy ounces - lower TPM in ore and lower extraction), as well as by the Robinson mine (-0.4 thousand troy ounces - lower gold content in ore and lower recovery).

Sales of KGHM INTERNATIONAL LTD.:

- **Sales of copper amounted to 5.3 thousand tonnes** and were lower by 1.2 thousand tonnes (-18%) compared to sales in May 2020. The main reason was lower sales of copper from the Robinson mine due to the lower amount of copper concentrate sold by over 10 thousand tonnes due to the schedule of deliveries agreed with customers. Sales of copper by the Carlota and Franke mines were at the levels recorded in May 2020. The Sudbury Basin meanwhile recorded a slight increase in copper sales (+0.1 thousand tonnes) due to higher copper content in ore.
- **Sales of TPM amounted to 4.1 thousand troy ounces** and were lower by 3.0 thousand troy ounces (-42%) compared to the corresponding period of 2020. This was mainly due to the lower content of gold, platinum and palladium in ore from the Sudbury Basin. Also slightly lower was the level of sales of gold from Robinson concentrate due to the lower amount of material sold in May 2021.
- The recorded volume of **silver sales** is the result of the adjustment in May 2021 of the provisional amount of silver in Robinson concentrate with respect to previous shipments. An increase in silver sales by approx. 0.1 tonnes was recorded by the Sudbury Basin (higher silver content in ore).

Results of Sierra Gorda S.C.M. in May 2021 - y/y:

Production and sales of Sierra Gorda (on a 55% basis)	May 2021	May 2020	I - V 2021	I - V 2020
Production				
Payable copper (kt)	8.7	7.2	41.5	31.7
Molybdenum (mn lbs)	0.9	1.7	3.8	4.0
Payable silver (t)	2.2	2.5	13.0	10.1
TPM (koz t)	2.1	2.6	11.6	13.5
Sales				
Copper (kt)	6.9	7.1	37.7	30.0
Molybdenum (mn lbs)	0.5	0.6	3.4	4.0
Silver (t)	1.6	2.5	11.7	9.5
TPM (koz t)	1.4	2.8	10.9	13.1

Production of Sierra Gorda (55%):

- **Production of payable copper amounted to 8,7 thousand tonnes** and was higher by 1.5 thousand tonnes (+21%) compared to May 2020. The increase in payable copper production in May 2021 compared to May 2020 was achieved thanks to higher copper content in mined ore and higher metal recovery. The increase in copper production in the period January-May 2021 compared to the corresponding period of 2020 was due to higher copper content in mined ore, higher metal recovery and a higher volume of ore processed.
- **Production of molybdenum amounted to 0.9 million pounds** and was lower by 0,8 million pounds (-47%) compared to May 2020. The decrease in molybdenum production in May 2021 compared to May 2020 was mainly due to lower metal content in mined ore. The decrease in molybdenum production in the period January-May 2021 compared to the corresponding period of 2020 was due to lower metal content in mined ore despite the higher volume of ore processed and higher metal recovery.

Sales of Sierra Gorda (55%):

- **Sales of copper amounted to 6.9 thousand tonnes** and were lower by 0.2 thousand tonnes (-3%) compared to sales in May 2020. The slight decrease was due to the lower volume of copper concentrate sold in May 2021 (by approx. 9.2 thousand tonnes dry weight) resulting from the agreed schedule of deliveries.
- **Sales of molybdenum amounted to 0.5 million pounds** and were lower by 0.1 million pounds (-17%) compared to May 2020. The volume of sales of molybdenum reflects the schedule of processing molybdenum concentrate and the return of molybdenum oxides designated for sale as well as the planned and achieved level of molybdenum production by the Sierra Gorda mine.
- **Sales of silver amounted to 1.6 tonnes** and were lower by 0.9 tonnes (-36%).
- **Sales of TPM amounted to 1.4 thousand troy ounces** and were lower by 1.4 thousand troy ounces (-50%). The decrease in silver and TPM sales was due both to the lower content of payable silver and gold in copper concentrate sold, as well as to the lower volume of copper concentrate sold in May 2021.